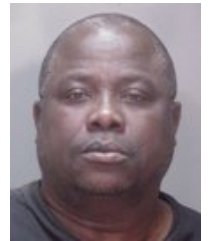


**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION****TOM CORBETT • ATTORNEY GENERAL****NEWSLETTER****RATE EVASION CONSPIRACY**

On February 27, 2009, Michael Bozzi, Josh Green, Alex Bien-Aime, Serge Jeanty and Bucks County Insurance were arrested in Bucks County. Bozzi was a licensed insurance broker and the owner/operator of Bucks County Insurance (BCI). Green, a licensed insurance broker, was an employee of BCI and Bien-Aime and Jeanty are both residents of New York State.



According to the Complaint, Bozzi and Green devised a scheme to obtain PA auto insurance policies for individuals living in New York City. Most of the policies were obtained from the Lincoln General Insurance Company and the American Independent Insurance Company. Bien-Aime advertised using flyers that he could provide inexpensive automobiles and insurance to individuals. Bien-Aime allegedly sold



vehicles to these individuals and then would deal with Green and Bozzi to obtain PA insurance policies for the vehicles. Allegedly, Green and Bozzi electronically submitted hundreds of applications for non-PA residents to insurance companies containing false PA addresses. Some of the addresses included Bucks County PO Box numbers which allegedly belonged to Jeanty and Bien-Aime. In addition to false addresses, many of the applications allegedly also contained false information about the applicant's driver's license, prior insurance and whether they owned a home, in order to receive discounts and avoid detection. Bien-Aime, Bozzi, Green, Jeanty and BCI have been charged with Corrupt Organizations (F1), Conspiracy (F1), Insurance Fraud (F3), Theft by Deception (F3) and Unlawful Use of Computer (F3).

ARD DISPOSITION TURNED INTO A STATE SENTENCE

The defendant, Nicole Guessford, was employed as a certified nursing assistant. Through her employment, Guessford completed a Highmark Life & Casualty Group disability claim form indicating that she had suffered from chest pains and was disabled from performing her job. Based upon the claim information, Highmark initially approved Guessford to receive disability benefits. It was discovered, however, that Guessford was working as a certified nursing assistant for Immediate Care Option Network during the same period as she was claiming disability.

Guessford was initially placed on the ARD Program. However, while on ARD, Guessford committed a theft offense and consequently was revoked from the ARD Program. Guessford then entered a guilty plea to Insurance Fraud and was sentenced to serve 2 years probation. Five days later, Guessford violated her probation by committing another Theft. On February 24, 2009, upon our recommendation, Guessford was resentenced on her Insurance Fraud offense, this time to serve 1 to 2 years incarceration in a state correctional facility.



PROFESSIONAL WRESTLER / MALE ESCORT / DANCER ARRESTED ON FRAUD AND THEFT CHARGES



On February 25, 2009, Michael John Taris was arrested in Bucks County. Taris was a professional wrestler for the World Wide Wrestling Alliance and now wrestles for the National Wrestling Superstars. Taris was also moonlighting as a male dancer for the Premier Escort Services and as a massage therapist known as "Sean" for Massage for Men (M4M).



According to the Criminal Complaint, Taris filed an injury claim with the 7-Eleven Corporation, a self-insured corporation, stating that he injured his back, neck and legs as a result of slipping on a puddle of coffee. An employee at the 7-Eleven heard a loud noise in the rear of the store and upon checking, found Taris seated on the floor. Allegedly, Taris then got up, poured a cup of coffee, walked over to the owner and asked to file an accident report.



Taris claimed he was unable to work, "rough house" or play with his son, cut the lawn, pick up and bath his dogs and sit or stand for long periods of time as a result of his alleged injuries. The Complaint, however, stated that during this time, Taris continued to work as a professional wrestler, as a male escort and as a massage therapist. Surveillance video allegedly shows Taris actively participating in wrestling matches where he was thrown against the ropes, thrown out of the ring, jumping from the turnbuckle and landing on other wrestlers, among other moves.

Michael Taris has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

Additional Arrests

- On February 18, 2009, Susan Davids was arrested in Bucks County. According to the Criminal Complaint, Davids received monthly disability checks of \$1,950 from the American Fidelity Assurance Group from September 26, 2002 to July 27, 2007. In support of her claim, Davids returned signed Continuation of Benefit forms to American Fidelity on thirteen occasions indicating that she was not working. It is alleged that Davids resumed working in September of 2003, while continuing to collect disability benefits. In total, she received approximately \$72,000 in benefits to which she was not entitled. Susan Davids has been charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On February 18, 2009, Donald Smallwood, Jr., was arrested in Allegheny County. According to the Criminal Complaint, Smallwood was employed as a registered representative of Aviva USA in December of 2006. Smallwood received \$53,000 from a client to procure an annuity contract from Aviva. It is alleged that Smallwood deposited the \$53,000 into his personal bank account and utilized the money to pay personal expenses. Donald Smallwood, Jr., has been charged with one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of Theft by Failure to Make Required Disposition of Funds (F3).
- On February 26, 2009, Paul Kurosky was arrested in Fayette County. According to the Criminal Complaint, Kurosky filed an insurance claim with the Cincinnati Insurance Company alleging that his 1987 Mercedes was stolen from the residence of one of his employees. The employee reported the theft of the vehicle to the Pennsylvania State Police. Kurosky was paid

approximately \$8,000 by Cincinnati. It is alleged that Kurosky conspired with the employee to burn the Mercedes for a share of



the money he was to receive from Cincinnati. Paul Kurosky has been charged with two counts of Insurance Fraud (F3), two counts of Conspiracy (1-F2 & 1-F3), one count of Arson (F2) and one count of Theft by Deception (F3).

- On February 25, 2009, David and Patricia Aiken were arrested in Lawrence County. According to the Criminal Complaint, David was injured in a fall in March of 2004. As a result of the fall, David collected disability benefits from the Unum Group Insurance Company. In October of 2004, David began working at an auto auction but concealed this employment from Unum. The Complaint further states that Patricia, his wife, helped him to fill out the paperwork that misrepresented his physical condition and employment status to Unum. It is alleged that the Aikens obtained \$3,170.97 in benefits and premium waivers to which they were not entitled. David and Patricia Aiken have been charged with two counts of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On February 26, 2009, Edward and Phyllis Kaye were arrested in Chester County. According to the Criminal Complaint, the Kayes filed a homeowner's claim with the Philadelphia Contributionship Insurance Company (PCIC) in December 2003, stating that their hardwood floor was gouged and carpet was stained by their cleaning service. PCIC paid them \$23,559.67. Following receipt of the money, the Kayes reported to PCIC that they replaced the carpet. In November 2007, the Kayes filed another homeowner's claim with PCIC for \$2,471.65 of carpet damage by a houseguest. It is alleged that the damage to the hardwood floor occurred prior to the purchase of the property. Furthermore, it is alleged that the carpeting was never replaced following the first claim. Edward and Phyllis Kaye have

been charged with four counts of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3), one count of Theft by Deception (F3) and one count of Conspiracy (F3).

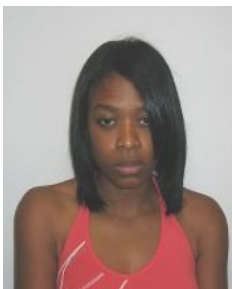
- On February 10, 2009, Brandon Stauffer was arrested in Berks County. According to the Criminal Complaint, Stauffer filed a workers' compensation claim with the Travelers Insurance Company stating that he injured the lower left side of his chest while moving a video arcade machine while employed at Pocket Change. Pocket Change is an arcade located at the Park City Mall in Lancaster. It is alleged that Stauffer injured his chest while wrestling at the arcade after the arcade was closed. Brandon Stauffer has been charged with one count of Workers' Compensation Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- On February 27, 2009, Otuechere Obioma was arrested in Bucks County. According to the Criminal Complaint, Obioma obtained three separate auto insurance policies in PA with the Lincoln General, Encompass and Liberty Mutual Insurance Companies, by submitting applications to each insurance company misrepresenting he was living in PA. Additionally, Obioma titled three vehicles with PennDOT and obtained a PA driver's license listing the PA address. The Complaint further stated that Obioma submitted two claims to Lincoln General, one in January 2006 and one in January 2009, for accidents occurring in Brooklyn, NY and from March 2008 to July 2008, he submitted ten claims to Encompass. It is alleged that Obioma never lived in PA. Otuechere Obioma has been charged with two counts of Insurance Fraud (F3), three counts of Insurance Fraud (M1), two counts of Identity Theft (F3), two counts of Tampering with Public Records (F3), two counts of False Swearing (M2), two counts of Unsworn Falsification (M2), two counts of False Application for Title (M1) and two counts of Altered/Forged Documents (M2).





CONVICTIONS

- Sabina Vargas pled guilty to two counts of Identity Theft (M1) and one count of Tampering with Public Records (M2) in Franklin County. Vargas had assumed the name of Sabina Rodriguez with the assistance of another individual, and obtained a driver's license in the assumed name. For employment purposes, Sabina fraudulently used a social security number of a deceased individual. On February 26, 2009, Sabina Vargas was sentenced on each Identity Theft count to serve 4 to 23 months of incarceration; on the Tampering With Public Records count to serve 4 to 25 months incarceration, all three counts to run concurrently with credit for time served of 4 months and ordered to pay a fine of \$550 and all court costs.
- Kimball Boone was found guilty following a trial before the Honorable Richard Hodgson of one count of Theft by Failure to Make Required Disposition (F3) and two counts of Forgery (F3) in Montgomery County. Boone's vehicle was involved in an accident while being operated by one of his employees. Approximately an hour after the accident Boone called the Progressive Insurance Company and added collision coverage for his vehicle. Later that evening, Boone made a claim with Progressive for the damages. On February 19, 2009, Kimball Boone was sentenced to serve 3 to 23 months incarceration, 2 years consecutive probation and was ordered to pay a fine of \$500 and all court costs.
- Andrea Leiba pled guilty to one count of Insurance Fraud (M1) in Bucks County. Leiba obtained an automobile insurance policy with the Infinity Insurance Company and misrepresented her address and that she had no prior claims. Leiba made a claim that her vehicle was stolen and submitted a signed affidavit again misrepresenting her address and that she had



no prior claims. The vehicle was recovered with interior fire damage. Leiba misrepresented her address and had six previous claims. On February 23, 2009, Andrea Leiba was sentenced to serve 4 years probation and ordered to perform 50 hours of community service and pay a fine of \$1,000 and all court costs.

- Daniel Applegate pled guilty to one count of Insurance Fraud (M1) and one count of Violation of the Public Utility Code (M1) in Cambria County. Applegate insured his vehicle with the Farmers Insurance Company for personal use only. Applegate misrepresented his address to Farmers and also operated an unlicensed taxi service. On February 17, 2009, Daniel Applegate was sentenced to serve 3 years probation and ordered to undergo mental health evaluation, perform 50 hours of community service and pay a fine of \$500 and all court costs.
- Samantha Duncan pled guilty to one count of Theft by Deception (M1) in Huntingdon County. Duncan filed a workers' compensation claim with the Rockwood Casualty Insurance Company for injuries she received following a slip and fall at work on July 31, 2007, and submitted forms falsely indicating that she was not working or self-employed. Duncan was employed at a diner between September 2007 and June 2008, while receiving workers' compensation benefits. On February 17, 2009, Samantha Duncan was sentenced to serve 3 years probation and ordered to pay a fine of \$400, restitution of \$3,040 and all court costs.
- Deon Joseph pled guilty to one count of Insurance Fraud (F3) and one count of Conspiracy (F3) in Berks County. Joseph's friend reported his vehicle stolen to the police and the Travelers Insurance Company. Joseph stored the vehicle in his garage for a share of the proceeds. On February 9, 2009, Deon Joseph was sentenced to serve 3 years probation and ordered to pay a fine of \$100 and all court costs.



- Dominique Gibson pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Philadelphia County. Gibson, through an attorney, filed a fraudulent claim with the Farmers Insurance Company for injuries she fraudulently claimed to have received while sitting in a parked vehicle when it was struck in the rear. Gibson was not in the vehicle at the time of the accident. On February 4, 2009, Dominique Gibson was sentenced to serve 2 years probation, ordered to submit to random drug tests and ordered to pay all court costs.
- Daniel Morales pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Lackawanna County. Morales filed a claim with the Progressive Insurance Company and misrepresented the date of the accident to have occurred after he obtained the policy when in fact it had occurred prior to the inception date. On February 25, 2009, Daniel Morales was sentenced to serve 1 year probation, ordered to perform 100 hours of community service and pay all court costs.
- Carol Bartolone and Steven Cercone pled guilty to one count of Insurance Fraud (F3) in Allegheny County. Bartolone fraudulently reported to the St. Paul Travelers Insurance Company that she tripped and fell on an apartment sidewalk. Cercone corroborated her claim. Bartolone was actually injured when Cercone smashed her face with a car door. On February 3, 2009, Carol Bartolone and Steven Cercone were sentenced to serve 1 year probation and ordered to pay all court costs.
- James Becker pled guilty to one count of Insurance Fraud (F3) and one count of Drug Act Violation (F) in Washington County. Becker presented forged prescriptions for various controlled substances to several pharmacies using the names of several VA physicians which were then billed to UPMC. On February 25, 2009, James Becker was sentenced to serve 3 to 23 months Intermediate Punishment, ordered to perform 50 hours of community service, pay a fine of \$500, restitution of \$86.44 and court costs.

(ARD) DISPOSITIONS

During the month of February, eight additional defendants received Accelerated Rehabilitative Disposition (ARD). Defendants who receive ARD are typically sentenced to serve 2 years probation and ordered to perform 50 hours of community service. In addition, they are ordered to pay full restitution, all ARD costs and all court costs.

PENNSYLVANIA FRAUD REPORTING REQUIREMENTS

The insurance industry has a corporate responsibility to report fraud. When a reasonable basis exists that insurance fraud has occurred, you should report that suspected fraud to a criminal law enforcement agency.

The Insurance Department has issued guidelines setting forth your responsibility for reporting fraud.

Simply reporting fraud to an information system serving the industry does not meet your obligation. In Pennsylvania, fraud must be reported to a Federal, State or local law enforcement agency.

The Office of Attorney General's Insurance Fraud Section is the largest law enforcement entity in Pennsylvania vested with the specific authority to investigate and prosecute insurance fraud.

Insurance Fraud is a serious and very costly crime. As corporate citizens, it is your responsibility and obligation to assist law enforcement in combating this crime. Together, we can reduce the economic and societal impact of this costly crime.

Report suspected fraud to the Pennsylvania Office of Attorney General online at:

www.attorneygeneral.gov

Additional resources are available on our website.